

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
February 27, 2001  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on February 27, 2001 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Gregory C. Jones and Members Sterling M. Ryder, Staci Yandle, and Stuart P. Levine.

Also in attendance were: Administrator Sergio E. Acosta, Deputy Administrators Joseph Haughey, Allan S. McDonald, Thomas Swoik, James W. Wagner, and Deputy Chief Legal Counsel Jeannette P. Tamayo, and other members of the staff.

Chairman Jones convened the February 27, 2001 Regular Meeting at 10:50 A.M. in the 3<sup>rd</sup> floor Board Conference Room. Member Yandle moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (11), (14), and (21) of the Open Meetings Act, and Section 6(d) of the Riverboat Gambling Act to discuss the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Ryder seconded the motion. The Board adopted the motion by unanimous consent, and retired to closed session.

The Board convened its Open Session at 2:00 P.M. Member Levine was not present for the Open Session part of the February 27, 2001 meeting.

### Approval of Minutes

Member Ryder moved that **the Board approve the following closed session minutes of the Illinois Gaming Board:**

- **Closed Session Minutes:**
  - **Special Meeting of January 19, 2001**
  - **Special Meeting of January 29, 2001**
  - **Regular Meeting of January 30, 2001**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

Member Ryder moved that **the Board approve the following open session minutes of the Illinois Gaming Board:**

- **Open Session Minutes:**
  - **Special Meeting of January 29, 2001**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

### Chairman's Report

Chairman Jones stated that the state budget present by Governor Ryan included a \$2 million line item in the Department of Human Services budget to address compulsive gambling. Chairman Jones stated that he applauded the endeavor. Chairman Jones stated that, under the initiative, the Department of Human Services anticipates that the money will be used to continue sponsoring a public information campaign to heighten awareness of problem gambling and finalize certification standards for problem and compulsive gambling counselors. He stated that the funds might be used to provide treatment services for pilot programs in selected areas that are in high need, such as those where the prevalence of problem gambling is high, and with particular emphasis on elderly and youth sectors of the population. Chairman Jones stated that the budget appropriation and DHS' initiative are steps in the right direction. Chairman Jones stated that he firmly believes that if problem gambling issues are not dealt with appropriately, they will pose a threat to the gaming industry.

Chairman Jones announced that staff will be circulating a draft rule of the self-exclusion policy for the public's input. Chairman Jones stated that once the new rule is adopted, it would allow those who have determined themselves to have a gambling problem to self-exclude themselves from the state's riverboat casinos. Chairman Jones stated that the

proposed rule requires that riverboat casinos remove a person who seeks self-exclusion from all mailing lists and promotional activities. Chairman Jones stated that if anyone who is interested in commenting on the proposed rule before it is presented to JCAR should contact Jeannette Tamayo, Deputy Chief Legal Counsel. Chairman Jones announced that copies of the proposed rule would be available after the meeting.

Chairman Jones introduced a new staff member with the Gaming Board, Jennifer Link. Chairman Jones stated that the Board is very pleased to have another lawyer on staff.

Member Ryder welcomed Jennifer Link and commended the Gaming Board's legal team, Jeannette Tamayo and Greta Doumanian, on the terrific job that they have done despite being tremendously understaffed. Member Ryder stated that the Gaming Board has been without the services of a Chief Legal Counsel for about 8 months and he was curious to know if Administrator Acosta was making any progress on the matter.

Administrator Acosta stated that he hoped that the position would be filled in the near future. Mr. Acosta stated that, over the months, he has attempted to identify candidates for the position but has been unable to proceed with hiring anyone. Mr. Acosta is hopeful that in the near future he will be able to hire someone.

Member Ryder stated that he will miss the advice and comments of former Board member, Joseph Lamendella, who surprised everyone with his resignation last month. Member Ryder stated that Mr. Lamendella was the Board member who met the requirement of the statute that one of the Board members be a Certified Public Accountant. Member Ryder asked Deputy Chief Legal Counsel, Jeannette Tamayo, if she opined that the Board is duly constituted and could act without having a Certified Public Accountant on the Board.

Ms. Tamayo stated that in her opinion, as well as the opinion of Michael Lukes, Chief of the Opinions Bureau at the Attorney General's office, the Board is duly constituted and has sufficient authority to take final action.

Member Ryder asked Ms. Tamayo to provide the status on the request for a legal opinion from the Attorney General on moving a boat from the Mississippi River to the city limits of the City of Rock Island.

Ms. Tamayo stated that it was imminent but it was not ready. Ms. Tamayo stated that the Attorney General's office informed her that staff should have it in time for the next Board meeting. Ms. Tamayo stated that the Attorney General's office requested additional information from staff, and that there are a couple of individuals in their chain of command who have to approve the opinion before it can be released.

Member Ryder questioned the time link with respect to legislation. Member Ryder stated that most state agencies have a systematic and regular process for input to the Governor's Office and the General Assembly with respect to legislation on which an agency wants to take a position. Member Ryder stated that legislative matters have not been dealt with as aggressively as they should be, which might be due to the shortage of legal staff. Member Ryder stated that he is strongly convinced that there is an absence in Springfield of knowledgeable input dealing with technical matters concerning casinos and gambling. Member Ryder stated that the General Assembly deals with two sides, the industry and those who oppose any form of legalized gambling. Member Ryder stated that the Gaming Board is a regulatory body with a wealth of experience that can provide timely and objective technical advice around matters on which the two sides propose legislation. He offered that the Board needs to take action to increase its input on some of those matters. Member Ryder discussed the ATM issue as an example, which he believes has not really been adequately explored in the General Assembly.

#### Administrator's Report

Administrator Acosta stated that he expects that the Notice of Denial and the Disciplinary Complaint will be issued to Emerald Casino, Inc. by the end of the week.

Member Ryder questioned Mr. Acosta about an article he read in the newspaper regarding Empress Casino and a proposed land transfer. Mr. Acosta stated that the issue was not on the agenda for discussion and that staff is in the process of gathering information pertaining to the issue. He anticipates the proposed land transfer issue being on the agenda for next month's meeting.

#### Public Commentary

Tom Grey, National Coalition Against Legalized Gambling, was present to discuss the Riverboat barges. Mr. Grey first commended Member Ryder's advocacy on legislative matters being aggressively handled. Mr. Grey made reference to a comment made by Kevin Larson, President and Chief Operation Officer of Emerald Casino, at the previous Board meeting. Mr. Grey quoted Mr. Larson as saying that, "in his building, there are presently 1200 machines". Mr. Grey stated that the word "presently" was what bothered him the most. Mr. Grey stated that based on what he saw on Emerald's diagram, there was a full-blown Las Vegas style casino operation. Mr. Grey urged the Board to be careful when signing off on plans. Mr. Grey addressed the audience and licensees and stated that licensees are building Las Vegas style operations on the barges under the premise that once they are built, licensees will go to the legislature and claim they will need 3000 slot machines in order to pay for the new operations. Mr. Grey defied licensees to expand any further than their present operations. Mr. Grey stated that the National Coalition Against Legalized Gambling will fight the expansion of gambling.

Member Ryder clarified to Mr. Grey that, even if the Board takes an action that the National Coalition Against Legalized Gambling agrees with, the Board's action does not mean that the Board is taking that action because the Board is against legalized gambling or the expansion of gambling. Member Ryder stated that all Board members took oaths to uphold the law and support it.

Gerald Forshey, a retired professor of Philosophy from the City Colleges of Chicago, was present to express his agreement with the Board's action in withdrawing Jack Binion's license. Mr. Forshey stated it was a fine example of regulatory responsibility. Mr. Forshey stated that, at the last meeting, once again there was controversy over an application, and once again, despite great political pressure, the Board denied the application. Mr. Forshey stated that this type of action by the Board sent out a warning to gambling operators who would try to obtain a license with a spotted record. Mr. Forshey stated that, when the legislature passed the recent gambling law a sudden shift took place. Mr. Forshey stated that the purpose of the original law was to save river towns, which had become unproductive places. The justification was that the economic benefits of the boats were greater than their social costs. Mr. Forshey stated that today justification has moved from save the towns to show me the money. Mr. Forshey stated that the money has now brought out the river sharks in the form of people that could possibly be connected with organized crime. Mr. Forshey stated that some of the comments made after the decision to deny Emerald bothered him. Mr. Forshey stated that the Board's compliments of Rosemont's Mayor Stephens and invitations for a better and cleaner corporation was ill advised. Mr. Forshey stated that, as long as the Gaming Board's investigative staff and the Chicago press have doubts, the Board's mandate is clear to move very slowly. Mr. Forshey stated that, if the Board loses confidence from the general public, it would be very difficult to regain that confidence. Mr. Forshey stated that the Board has shown good judgement in maintaining the integrity of the task given to them by the laws of Illinois. Mr. Forshey stated that the Board has set a good example by not rushing to judgement, and he urged the Board to maintain that pace.

#### Owner Licensee Items

HARRAH'S CASINO, JOLIET – Michael St. Pierre, Vice President and General Manager, was present on behalf of Harrah's Casino Joliet to update the Board on the status of Harrah's expansion project. Mr. St. Pierre presented the Board with a slide presentation, which detailed each phase of construction. Mr. St. Pierre stated that the team members of Harrah's Joliet are extremely appreciative of the cooperation of Gaming Board staff in coordinating the transition process. Mr. St. Pierre stated that the project is an \$82 million expansion to the site, bringing total capital investment to over \$200 million.

Member Ryder asked if persons would be able to pass from one barge to another.

Mr. St. Pierre stated that, during the construction phase, the barge area would be closed but once construction is completed, there will be an area outside of the gaming pit where people can walk from one side to the other.

Member Ryder questioned what was to the left and the right of the entryway.

Mr. St. Pierre stated that to the left is a casino bar, which is blocked off from pedestrian traffic to the pavilion area, and to the right are casino rest rooms.

Member Ryder asked Mr. St. Pierre if there was an open area behind the bar allowing pedestrians walking by to look in.

Mr. St. Pierre stated that there are approximately six-foot walls on which there will be vases and other decorative items. However, he concluded that pedestrians will be able to look through at over six feet.

Member Ryder expressed his concerns about the casino being open visually, which would create an ambiance to underage persons who might be in the permitted area. Member Ryder accepted however, that six feet is high enough to address some of his concerns. Member Ryder congratulated Harrah's on their permanently moored barge project.

Chairman Jones asked if water is visible on the walk way to the barge. Mr. St. Pierre stated that a very small sliver of water is visible and that there is no water flow between the river and the visible water.

**HARRAH'S CASINO JOLIET – ROBERT H. GREEN JR., GUEST SAFETY MANAGER**  
**LEVEL ONE –** Michael St. Pierre was present on behalf of Robert H. Green to request approval as a Level One Occupational Licensee.

Based on a review of the staff's investigation and recommendation, Member Yandle moved that **the Board approve Robert H. Green Jr. as a Level 1 Occupational Licensee of Des Plaines Development Limited Partnership d/b/a Harrah's Casino Cruises Joliet.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

**SOUTHERN ILLINOIS RIVERBOAT/PLAYERS –** Mike Crider, Vice President and General Manager, and Karen Wosnack, Attorney, were present on behalf of Southern Illinois Riverboat Casino to request the license renewal of Players Casino.

Administrator Acosta expressed that staff recommends that the Board renew the license. Mr. Acosta cautioned, however, that one particular point discussed last week with Players management related to a copy of the female and minority hiring and promotions plan. Mr. Acosta offered that staff received a policy statement from Harrah's, despite a requirement in the Act that a plan be provided. Mr. Acosta recommended that the development of a plan and its submission to staff should be a condition of the license renewal.

Ms. Wosnack stated that Harrah's Joliet as well as Players are governed by the employee handbook, which identifies the hiring policies. Ms. Wosnack stated that Players will be more than happy to work with staff to produce a plan that is acceptable to the Board.

Based on the staff's investigation and recommendation, Member Ryder moved **that the Board approve the Owner's License of Southern Illinois Riverboat Casino Cruises, Inc. for a term of 4 years with the following condition to be completed within 30 days;**

- 1. provide a comprehensive plan as to its minority and female hiring and promotions as required by 230 ILCS 10/7(b)(4),**

Member Ryder further moved that, **based on the staff's investigations and recommendations, the Board approve the following persons and entities as Key Persons of the Southern Illinois Riverboat Casino Cruises, Inc.:**

- 1. Harrah's Entertainment, Inc.**
- 2. Harrah's Operating Company**
- 3. Philip G. Satre**
- 4. Timothy J. Wilmott**
- 5. Ronald C. Holloman**
- 6. Colin V. Reed**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

EMPERESS CASINO, JOLIET – DOUGLAS B. FERRARI, SENIOR VICE PRESIDENT & GENERAL MANAGER – LEVEL ONE – Mr. Ferrari was present to request approval as a Level One Occupational Licensee.

Based on a review of the staff's investigation and recommendation, Member Yandle moved **that the Board approve Douglas B. Ferrari as a Level 1 Occupational Licensee of Empress Casino Joliet Corporation.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

### Suppliers Licensees Items

U.S. PLAYING CARD COMPANY – David SummerCamp, Vice President of Finance, was present on behalf of U.S. Playing Card Company.

Based on the staff's investigation and recommendation, Member Ryder moved that the Board approve the Supplier's License of U.S. Playing Card Company for a term of 4 years. Member Ryder further moved that the Board designate as and approve the following Key Persons:

1. **Bicycle Holdings, Inc.**
2. **U.S. Playing Card Holding, Inc.**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

### Occupational Licensees

Based on the staff's investigation and recommendation, Member Yandle moved that the Board approve 40 applications for an Occupational License Level 2 and 133 applications for an Occupational License Level 3.

Member Yandle further moved that the Board direct the Administrator to contact 8 pending applicants for occupational licenses to notify those applicants that staff has recommended that the Board deny their applications for an occupational license and to provide these applicants with an opportunity to respond. Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

At 3:00 P.M., Pursuant to Section 2 (c), paragraph (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Ryder moved that **the Board retire to Closed Session to discuss the following subject matters:**

1. **Pending litigation and matters involving probable litigation;**
2. **Investigations concerning applicants and licensees.**

Member Yandle second the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,

Monica Thomas  
Secretary to the Board